

MARKET RECAP: DEMAND IS HIGH AND SUPPLY LOW

Price growth up across all home types in the GTA



The Toronto Real Estate Board's monthly resale housing market report shows that September's market was no exception to the ongoing trend of high demand and low supply across the Greater Toronto Area.

TREB members reported 9,902 sales on TREB's MLS system, up 21.5 per cent from September 2015, and annual rates of sales growth were strong for all major home types across the GTA.

However, sales growth was not as pronounced for detached homes in the City of Toronto as well as for semi-detached homes across the region, largely because the number of listings for these home types and in those areas was also down.

I'd like to point out that this sustained lack of listing inventory in many GTA neighbourhoods is also contributing to continued high rates of price growth for all home types.

Other influencers on the average selling price could also be related to changes in both market conditions and the mix of homes sold.

In fact, price growth was up across all home types when compared on a year-over-year basis. Both the MLS Home Price Index (HPI) Composite Benchmark, which provides a price growth measure for a benchmark home, allowing for an apples-to-apples comparison from one year to the next, grew by 18 per cent. Meanwhile, the average selling price was up by 20.4 per

cent to \$755,755.

There has also been widespread speculation about the effects of foreign buyers on the Toronto real estate market. TREB is closely monitoring how the recent changes to federal mortgage lending guidelines and capital gains tax exemption rules impact the housing market in the GTA. While these changes are pointed at for the demand for ownership housing, it is important to note that much of the upward pressure on home prices in the GTA has been based on the declining inventory of listings.

For updates on the real estate market, visit TREBhome.com. If commercial property is what interests you, visit TREBcommercial.com.



Larry Cerqua is president of the Toronto Real Estate Board, a professional association that represents 45,000 professional realtor members in the Greater Toronto Area. You can contact him at TREBpres@trebnet.com. For updates on the real estate market, visit TREBHome.com. If commercial property is what interests you, contact a TREB realtor by visiting TREBCommercial.com.